

# NATURAL RESOURCES COMMISSION

## **FINDINGS AND RECOMMENDATIONS FOR MARINA SLIP RATES (After August 1, 2003)**

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RECOMMENDATIONS  
OF THE  
NATURAL RESOURCES  
COMMISSION

*FOUR WINDS  
RESORT & MARINA*

**BEFORE THE  
NATURAL RESOURCES COMMISSION  
OF THE  
STATE OF INDIANA**

<b>IN THE MATTER OF:</b>	)	
	)	
<b>PETITION FOR RATE INCREASE</b>	)	<b>ADMINISTRATIVE CAUSE</b>
<b>BY FOURWINDS RESORT &amp;</b>	)	<b>NUMBER: 07-094P</b>
<b>MARINA</b>	)	

**FINDINGS AND RECOMMENDATION  
BY THE NATURAL RESOURCES COMMISSION  
TO THE U.S. ARMY CORPS OF ENGINEERS**

**A. Findings**

1. The scope of the informal administrative review accorded by the Commission in Information Bulletin #20 is addressed to petitions for rate increase at marinas and related facilities on properties owned or leased by the Department.
2. Although the Department may appropriately exercise whatever rights are provided in a ground lease with respect to marina facilities, as well as any other rights provided by law or equity, the scope of review provided in Information Bulletin #20 (First Amendment) is limited to the subject of the petition for rate increase. Indeed, the Commission ultimately recommends action on the petition to the U. S. Army Corps of Engineers, and the Corps may either accept or reject the recommendation.
3. In determining whether to recommend that a rate increase be granted, the Department is to analyze similar facilities and compare rates with those sought by the petition. Implicit to the public hearing is that interested persons may also seek and analyze comparables.
4. The public comments received during the consideration of Fourwinds' petition reveal a certain degree of tension between patrons and the marina management, which has resulted in objections to the sought rate increase. Without doubt, Fourwinds has accomplished many improvements to the marina and resort property since its 2001 purchase. The dispute between the slip holders and the marina management generally focuses on the perception of the marina patrons that the vast majority of physical improvements and support services as well as intangible assets, such as the good will of the management, benefit the hotel and its guests but not the marina or the slip holders.
5. Three predominant issues; security, parking and marina maintenance; appear to lie at the center of the tension.
6. Fourwinds concedes that parking is not optimal but offered no opposition to the slip holders' contention that Fourwinds profits from its use of a significant portion of the parking lots for the storage of boats and trailers. Photographs provided by the slip holders confirm that a significant

number of parking lot spaces are filled with stored trailers and boats while weekend parking appears to overflow into grass areas around the marina. With respect to maintenance, the slip holders best demonstrated this concern by the fact that non-slip strips, known to be in need of replacement since the 2006 boating season, had not been installed by July 2007. Fourwinds also offered no response with respect to this concern.

7. Pertaining to the security issue, the slip holders provided multiple examples of security not being on site when called and of events that occurred over extended periods of time that, in their opinion, would not have been possible if security officers had been visible in the marina. In response, Fourwinds maintains that it has retained security services that, by contract, are dedicated 95% to the marina and requested that the slip holders monitor the security situation and advise the management if appropriate security is not visible.

8. Mr. Hammond explained that while the slip holders may not view the to-date improvements as a benefit to them, he expressed his perception that each of the improvements is but a “small piece of a larger puzzle” intended to improve Fourwinds overall. However, those who commented in opposition to the rate increase appear uninformed about Fourwinds’ long-term plans. The hearing officer observes that communication between marina patrons and Fourwinds management may be lacking but wishes to also note that all individuals involved appear to be reasonable in their opinions and perspectives and she attributes the communication failures to no particular person or group of persons. Quite possibly the formation of a marina committee designed to liaise with Fourwinds management, as suggested by one commenter, would be the best method of overcoming, or decreasing, the obvious animosity that presently exists.

9. All in all, there is no doubt that many of the improvements cited by Fourwinds involve efforts readily identifiable with the hotel, but they are amenities available to marina patrons as well. One individual commented that the improvements are nice for weddings and other hotel events but observed that these amenities are of no use to the boaters. However, the gazebo and water pond area available to the marina patrons for their weddings or their children’s weddings, the same as these areas are available to hotel guests. Whether the marina slip holders make use of any particular amenity, such as the beach, the pool, the gazebo area, the expanded restaurant and lounge, except those located directly at the marina is their choice. With respect to the actual marina area, there have also been vast improvements made there as well, with the replacement and renovation of docks and security gated dock access. With that in mind, it is also noted that continuing improvement at the marina, particularly with respect addressing problems with maintenance, security, malfunctions with the security gates and the renovation of A, B & C Docks, remains necessary.

10. With respect to marina rates, the use and analysis of comparables is the fundamental consideration in determining the propriety of proposed rate increases to marina slips.

11. In the past, Fourwinds’ rates were more comparable to coastal marinas, but due to rate increases associated with inland marinas over the past few years, Fourwinds’ proposed rates, while continuing to be somewhat higher than other inland marinas, are more comparable. However, the Department notes that it has denied requests for increases that would result in fees lower than those proposed by Fourwinds.

12. It is recommended that Fourwinds' requested rate increase of 10% across the board, to be implemented at the discretion of Fourwinds, be rejected.

13. The Department suggests that Fourwinds' rate increase should be 3% for A, B & C Docks, which remain in need of replacement, and 8% for the remainder of the marina.

14. Further review of the Department's comparables reveals that in many instances Fourwinds' 2007 rates are already higher than rates charged by other inland marinas for slips of the same or similar size. For instance Fourwinds presently charges \$4,483.80 for a yearly thirty-six foot covered slip, whereas three other marinas charge only \$3,100.00, \$3,650.00 and \$3,465.00 for a comparable slip. While there are some isolated instances in which Fourwinds' existing rates are less than the rates charged by other marina's identified by the Department, that result is not consistent across all identified marinas with comparably sized slips.

15. This consideration dissuades the hearing officer from recommending approval of the Department's suggested 8% rate increase for any portion of Fourwinds. However, the preponderance of the information in the record discloses that Fourwinds should be granted some rate increase in recognition of the improvements made to date and to encourage continued facility improvement.

## **B. RECOMMENDATION**

It is recommended that the rates approved for Fourwinds Resort & Marina in 2002 be increased as follows:

1. A 3% increase is recommended for slips located on Fourwinds' A, B & C Docks.
2. Notwithstanding paragraph 16, Fourwinds should be authorized to increase rates up to 5% for fifty (50) slips on Dock A that have already been replaced and twenty (20) slips on Dock B that are new.
3. With respect to all remaining slips within Fourwinds' marina facility it is recommended that Fourwinds be granted a rate increase of 5%.

Dated: September 28, 2007

Robert E. Carter, Jr. Secretary  
Natural Resources Commission

# *HOOSIER HILLS MARINA, INC.*



IN THE MATTER OF: )  
 )  
PETITION FOR RATE INCREASE ) Administrative Cause  
 ) Number: 03-072P  
BY HOOSIER HILLS MARINA, INC. )

**FINDINGS AND RECOMMENDATION  
BY THE NATURAL RESOURCES COMMISSION  
TO THE U.S. ARMY CORPS OF ENGINEERS**

**A. Findings**

1. The scope of the informal administrative review accorded by the Natural Resources Commission in Information #20 (First Amendment) is addressed to petitions for rate increase at marinas and related facilities on properties owned or leased by the Department of Natural Resources.

2. Although the Department may appropriately exercise whatever rights are provided in a ground lease with respect to marina facilities, as well as any other rights provided by law or equity, the scope of review provided in Information #20 (First Amendment) is limited to the subject of the petition for rate increase. Indeed, the Commission ultimately recommends action on the petition to the U. S. Army Corps of Engineers, and the Corps may either accept or reject the recommendation.

3. In determining whether to recommend a rate increase be granted, the Department is to analyze similar facilities and compare rates with those sought by the petition. Implicit to the public hearing is that interested persons may also seek and analyze comparables.

4. The use and analysis of comparables is fundamental to determining the propriety of proposed rate increases to marina slips and mooring buoys. The Department completed its comparable analysis.

5. Hoosier Hills Marina has requested slip rate increase ranging from 9% (one slip) to 17% (one slip) with rates of six slips increasing 10%.

6. Hoosier Hills Marina has also requested a rate to be established for five slips—styles that are not currently available.

7. The Natural Resources Commission delegated authority to the Director of the Division of State Parks and Reservoirs in Information Bulletin # 20 (First Amendment) to approve interim rate adjustments for projects or slips not yet constructed or modified. However, the approved rates apply only until the next rate request cycle when Hoosier Hills must present a petition for rate approval as provided in this information bulletin.

8. Hoosier Hills Marina has not requested a slip rate for six years. The marina operator has continued a facility maintenance schedule. The operator has also replaced electric service on

Dock “C” and has completed reinforcement of Docks “A” and “B” with new anchors, and cables along with repairs to dock surfaces.

9. Evidence supports that there is a general industry trend of ever-increasing insurance costs associated with marina operations.

10. The Department supports the request by to increase slip rates in the range 9% to 17% as submitted. The Department also supports the requested rates apply to slips that are planned to be constructed.

11. The requested increase in slip rates and houseboat rental is supportable and may be recommended for approval.

## **B. Recommendation**

The Natural Resources Commission recommends to the U.S. Army Corps of Engineers that the rate increase sought by the Hoosier Hills Marina for existing and proposed facilities be approved as requested and set forth below.

<b>HOUSEBOAT DOCK “A”</b>	
<b>Size</b>	<b>Rate</b>
45’ shared slip	2000.00
50’ shared slip	2310.00
50’ single slip	2800.00
60’ shared slip	2530.00
60’ single slip	3080.00
70’ shared slip	2750.00
70’ single slip	3300.00
80’ shared slip	3000.00
80’ single slip	3600.00

\*plus \$25.00/ft/year to extend beyond the slip. Max. 20% of boat out of slip.

<b>SMALL BOAT DOCK “B”</b>	
<b>Size</b>	<b>Rate</b>
20’ shared slip	800.00
24’ shared slip	900.00

\* plus \$25.00/ft/year to extend beyond the slip. Max. 20% of boat out of slip

<b>CRUISER DOCK “C”</b>	
<b>Size</b>	<b>Rate</b>
30’ shared slip	1100.00
30’ single slip	1500.00
30’ covered	1650.00
*plus \$25.00/ft/year to extend beyond the slip. Max. 20% of boat out of slip.	

<b>Buoy Balls</b>	
<b>Size</b>	<b>Rate</b>
Small boat/summer	450.00
Large boats/summer	500.00
*Maximum 40' boat on buoy ball.	
<b>Storage</b>	
Winter wet storage	300.00
Winter dry storage	300.00
Temporary slip w/o elec.	12.00
Temporary w/electricity	17.00

# KENT'S HARBOR & MARINA

**BEFORE THE  
NATURAL RESOURCES COMMISSION  
OF THE  
STATE OF INDIANA**

<b>IN THE MATTER OF:</b>	)	
	)	
<b>PETITION FOR RATE INCREASE</b>	)	<b>ADMINISTRATIVE CAUSE</b>
<b>BY KENT’S HARBOR</b>	)	<b>NUMBER: 06-093P</b>

**FINDINGS AND RECOMMENDATION  
BY THE NATURAL RESOURCES COMMISSION  
TO THE U.S. ARMY CORPS OF ENGINEERS**

**A. Findings**

1. The scope of the informal administrative review accorded by the Natural Resources Commission in Information #20 (First Amendment) is addressed to petitions for rate increase at marinas and related facilities on properties owned or leased by the Department of Natural Resources.
2. Although the Department may appropriately exercise whatever rights are provided in a ground lease with respect to marina facilities, as well as any other rights provided by law or equity, the scope of review provided in Information #20 (First Amendment) is limited to the subject of the petition for rate increase. Indeed, the Commission ultimately recommends action on the petition to the U. S. Army Corps of Engineers, and the Corps may either accept or reject the recommendation.
3. In determining whether to recommend a rate increase be granted, the Department is to analyze similar facilities and compare rates with those sought by the petition. Implicit to the public hearing is that interested persons may also seek and analyze comparables.
4. The use and analysis of comparables is fundamental to determining the propriety of proposed rate increases to marina slips and mooring buoys. The preponderance of information in the record discloses that the rate increases sought by Kent’s Harbor are within the range of slip rates for comparable facilities.
5. Kent’s Harbor has made improvements to the facilities by renovating the bathrooms and showers including the installation of new floors, ceilings, countertops, fixtures, mirrors, etc. The clubroom has been updated with new furnishings. A double retaining wall was installed to accommodate the construction of additional pull-offs. Additionally, a new parking area has been constructed around the lodging area along with new landscaping. There are also now three pump-out stations at the facility.
6. The requested increase in rates is within the industry range and is supportable. The requested rates may properly be recommended for approval.

## **B. Recommendation**

The Natural Resources Commission recommends to the U.S. Army Corps of Engineers that the rate increase sought by the Lake Monroe Sailing Association, Inc. for existing facilities be approved as requested and set forth below.

### **Proposed 2007 Rates**

#### **B through H-dock**

20'	\$1545.00 (unchanged)
24'	\$1595.00
26'	\$2085.00
30'	\$2405.00
36'	\$2725.00
40'	\$2995.00
46'	\$3155.00
50'	\$3430.00
Over 50	\$71.25/ft.

#### **A –Dock**

13' x 24'	\$2125.00
13' x 28'	\$2445.00
14' x 30'	\$2745.00
15' x 30'	\$2935.00
15' x 36'	\$3085.00
16' x 36'	\$3295.00
18' x 46'	\$4075.00
20' x 70'	\$6450.00
Over 70'	\$90.00/ft (unchanged)

### **Lodging Rates for 2006 Proposed 2007**

Studio	\$133 per night	Accommodates 4	\$149
One Bedroom	\$165 per night	Accommodates 4	\$184
Two Bedroom	\$219 per night	Accommodates 8	\$249

**IN THE MATTER OF:** )  
 ) **Administrative Cause**  
**PETITION FOR RATE INCREASE** ) **Number: 03-074P**  
**BY KENT’S HARBOR** )

**FINDINGS AND RECOMMENDATION  
BY THE NATURAL RESOURCES COMMISSION  
TO THE U.S. ARMY CORPS OF ENGINEERS**

**A. Findings**

1. The scope of the informal administrative review accorded by the Natural Resources Commission in Information #20 (First Amendment) is addressed to petitions for rate increase at marinas and related facilities on properties owned or leased by the Department of Natural Resources.
2. Although the Department may appropriately exercise whatever rights are provided in a ground lease with respect to marina facilities, as well as any other rights provided by law or equity, the scope of review provided in Information #20 (First Amendment) is limited to the subject of the petition for rate increase. Indeed, the Commission ultimately recommends action on the petition to the U. S. Army Corps of Engineers, and the Corps may either accept or reject the recommendation.
3. In determining whether to recommend a rate increase be granted, the Department is to analyze similar facilities and compare rates with those sought by the petition. Implicit to the public hearing is that interested persons may also seek and analyze comparables.
4. The use and analysis of comparables is fundamental to determining the propriety of proposed rate increases to marina slips, mooring buoys, and hotel rooms.
5. Kent’s Harbor Marina is requesting slip rate increases from 2% to 2.6% along with a 4% increase in lodging and houseboat rentals.
6. Kent’s Harbor Marina paved and expanded parking areas, expanded the restaurant, remodeled the clubhouse and restroom facilities, added a pump out station, and opened a new golf course.
7. Evidence supports that there is a general industry trend of ever-increasing insurance costs associated with marina operations.
8. The Department found it “difficult” to locate other marinas that include slips, lodging, foodservice, and a golf course for its comparable analysis. However, the Department compared Kent’s Harbor Marina 2004 rate increase request to 13 other marinas.
9. The Department found that Kent’s Harbor Marina rates for the 2004 boating season “fall in line” with the industry and are comparable.
10. The requested increase in slip rates, lodging, and houseboat rental is supportable and may be recommended for approval.

## B. RECOMMENDATION

The Natural Resources Commission recommends to the U.S. Army Corps of Engineers that the rate increase sought by Kent's Harbor for facilities be approved as requested and set forth below.

2004 PROPOSAL	RATE
HOUSEBOAT RENTALS 36'	\$850
DOCKAGE	
20'	\$1545
24'	\$1545
26'	\$2025
30'	\$2335
36'	\$2645
40'	\$2890
46'	\$3065
50'	\$3330
Over 50'	\$69.25/FT
LODGING	
Studio	\$133 per night
One Bedroom	\$165 per night
Two Bedroom	\$219 per night



# LAKE MONROE SAILING ASSOCIATION

**BEFORE THE  
NATURAL RESOURCES COMMISSION  
OF THE  
STATE OF INDIANA**

<b>IN THE MATTER OF:</b>	)	
	)	
<b>PETITION FOR RATE INCREASE</b>	)	<b>ADMINISTRATIVE CAUSE</b>
<b>BY THE LAKE MONROE SAILING</b>	)	<b>NUMBER: 06-094P</b>
<b>ASSOCIATION</b>	)	

**FINDINGS AND RECOMMENDATION  
BY THE NATURAL RESOURCES COMMISSION  
TO THE U.S. ARMY CORPS OF ENGINEERS**

**A. Findings**

1. The scope of the informal administrative review accorded by the Natural Resources Commission in Information #20 (First Amendment) is addressed to petitions for rate increase at marinas and related facilities on properties owned or leased by the Department of Natural Resources.
2. Although the Department may appropriately exercise whatever rights are provided in a ground lease with respect to marina facilities, as well as any other rights provided by law or equity, the scope of review provided in Information #20 (First Amendment) is limited to the subject of the petition for rate increase. Indeed, the Commission ultimately recommends action on the petition to the U. S. Army Corps of Engineers, and the Corps may either accept or reject the recommendation.
3. In determining whether to recommend a rate increase be granted, the Department is to analyze similar facilities and compare rates with those sought by the petition. Implicit to the public hearing is that interested persons may also seek and analyze comparables.
4. The use and analysis of comparables is fundamental to determining the propriety of proposed rate increases to marina slips and mooring buoys. The preponderance of information in the record discloses that the rate increases sought by the Lake Monroe Sailing Association (LMSA) are within the range of slip rates for comparable facilities.
5. LMSA has made improvements to the facilities by the replacement the old "A" dock, previously accommodating 10 boats, has been replaced with concrete decking and now accommodates 48 boats. The new "A" dock incorporates a wave attenuator for the protection of both boats and the dock. The old manager's residence has been replaced with larger accommodations and the septic system has been replaced. The "T" docks, which were dangerous having been damaged from wave action, have also been replaced with concrete

decking. Two shelter packages have been purchased for the replacement of exiting shelters on the east shore. A wi fi hot spot has been installed in order for boat owners and the facility manager to monitor the dock areas to address security concerns. A second septic system serving the bathhouse was also replaced. The total cost of the improvements identified approximate \$486,000.00.

6. The requested increase in rates is within the industry range and is supportable. The requested rates may properly be recommended for approval.

## B. Recommendation

The Natural Resources Commission recommends to the U.S. Army Corps of Engineers that the rate increase sought by the Lake Monroe Sailing Association, Inc. for existing facilities be approved as requested and set forth below.

Lake Monroe Sailing Association  
Proposed Schedule of User Fees for the 2007 season

	<u>Proposed Fee</u>	<u>%change to nearest \$</u>
Winter Dry Storage (November through March)		
Dry Storage (20' or under)	103.00	3%
Dry Storage (20' to and including 26')	144.00	3%
Dry Storage (26' up to and including 30')	175.00	3%
Dry Storage (30 up to and including 34')	185.00	3%
Dry Storage (Boats over 34')	196.00	3%
Empty Trailer or Cradle	72.00	3%
Sailing Season Use (April through October)		
Board Boat (1 <sup>st</sup> boat) (I.e. windsurfer)	82.00	3%
Board Boat (second boat)	71.00	3%
Dry Storage (20' or under)	321.00	3%*
Dry Storage (over 20' up to 26')	422.00	3%*
Dry Storage (26' and over)	496.00	3%*
Buoy (standard single anchor)	819.00	3%*
Buoy (heavy duty double anchor)	922.00	3%*
Slips		
Concrete breakwater		
24'x 12'	1334.00	3%*
26'x 12'	1437.00	3%*
30'x 14'	1540.00	3%*
32'x 14'	1643.00	3%*
34'x 14'	1746.00	3%*
Wooden Slips		
22' x 12'	1076.00	3%*
24' x 12'	1128.00	3%*
26' x 12'	1231.00	3%*

\*Consistent with prior practice, users are permitted to deduct \$200.00 from the above sailing Season storage fees for boats upon agreeing to complete 20 hours of work in the LMSA Earned Credit program. Users failing to meet their earned credit commitment are charged for the unearned credit.

**IN THE MATTER OF:** )  
 )  
**PETITION FOR RATE INCREASE BY** ) **Administrative Cause**  
**LAKE MONROE SAILING ASSOCIATION** ) **Number: 03-073P**

**FINDINGS AND RECOMMENDATION  
BY THE NATURAL RESOURCES COMMISSION  
TO THE U.S. ARMY CORPS OF ENGINEERS**

**A. Findings**

1. The scope of the informal administrative review accorded by the Natural Resources Commission in Information #20 (First Amendment) is addressed to petitions for rate increase at marinas and related facilities on properties owned or leased by the Department of Natural Resources.
2. Although the Department may appropriately exercise whatever rights are provided in a ground lease with respect to marina facilities, as well as any other rights provided by law or equity, the scope of review provided in Information #20 (First Amendment) is limited to the subject of the petition for rate increase. Indeed, the Commission ultimately recommends action on the petition to the U. S. Army Corps of Engineers, and the Corps may either accept or reject the recommendation.
3. In determining whether to recommend a rate increase be granted, the Department is to analyze similar facilities and compare rates with those sought by the petition. Implicit to the public hearing is that interested persons may also seek and analyze comparables.
4. The use and analysis of comparables is fundamental to determining the propriety of proposed rate increases to marina slips and mooring buoys. The preponderance of information in the record discloses that the rate increases sought by the Lake Monroe Sailing Association (LMSA) are within the range of slip rates for comparable facilities.
5. The LMSA has shifted from a rate setting policy based on boat length, to rates based on slip size, which is more consistent with the industry and affords a more corresponding comparable evaluation.
6. LMSA has made improvements to the facilities by the replacement of "A" Dock with a new concrete breakwater dock. LMSA performs facility maintenance and continues to develop plans for upgrading and replacing docks, buoys, service craft, and shower and restroom facilities.
7. The proposed rates for the new breakwater slips are below the 2001 rates approved by the Corps of Engineers; and therefore, need not be considered in this report.
8. The requested increase in rates for the wood docks are within the industry range and are supportable. The requested rates may properly be recommended for approval.

## B. Recommendation

The Natural Resources Commission recommends to the U.S. Army Corps of Engineers that the rate increase sought by the Lake Monroe Sailing Association, Inc. for existing facilities be approved as requested and set forth below.

<b>USER FEES</b>	<b>2004 <u>PROPOSAL</u> <u>IN DOLLARS</u></b>
Daily Facility Use	5.00
Annual Facility Use	75.00
<b>Wet Slips</b> (Fees based on slip size)	
<b>Wooden Decked Docks</b> <b>“B”, “C”, &amp; “D”</b>	
Size 12’ x 22’	1045.00
Size 12’ x 24’	1095.00
Size 12’ x 26’	1195.00
<b>Concrete Decked Breakwater</b> <b>“A” Dock</b>	
Size 12’ x 24’	1295.00
Size 12’ x 26’	1395.00
Size 14’ x 30’	1495.00
Size 14’ x 32’	1595.00
Size 14’ x 34’	1695.00
<b>Dry Storage (April through Oct)</b>	
Boat <20’	312.00
Boat >20’ & < 26’	410.00
Boat > 26’	482.00
<b>Winter Storage</b> (November through March)	
Boat <20’	100.00
Boat > 20’ & < 26’	140.00
Boat >26’ & < 30’	170.00
Boat > 30’ & < 34’	180.00
Boat > 34’	190.00
Trailer/Cradle	70.00
<b>Buoys</b>	
Standard Single Anchor	795.00
Heavy Duty Double or HD Anchor	895.00

# QUAKERTOWN MARINA

**BEFORE THE  
NATURAL RESOURCES COMMISSION  
OF THE  
STATE OF INDIANA**

<b>IN THE MATTER OF:</b>	)	
	)	
<b>PETITION FOR RATE INCREASE</b>	)	<b>ADMINISTRATIVE CAUSE</b>
<b>BY THE QUAKERTOWN MARINA</b>	)	<b>NUMBER: 07-093P</b>

**FINDINGS AND RECOMMENDATION  
BY THE NATURAL RESOURCES COMMISSION  
TO THE U.S. ARMY CORPS OF ENGINEERS**

**A. Findings**

1. The scope of the informal administrative review accorded by the Commission in Information Bulletin #20 is addressed to petitions for rate increase at marinas and related facilities on properties owned or leased by the Department.
2. Although the Department may appropriately exercise whatever rights are provided in a ground lease with respect to marina facilities, as well as any other rights provided by law or equity, the scope of review provided in Information Bulletin #20 (First Amendment) is limited to the subject of the petition for rate increase. Indeed, the Commission ultimately recommends action on the petition to the U. S. Army Corps of Engineers, and the Corps may either accept or reject the recommendation.
3. In determining whether to recommend that a rate increase be granted, the Department is to analyze similar facilities and compare rates with those sought by the petition. Implicit to the public hearing is that interested persons may also seek and analyze comparables.
4. The use and analysis of comparables is fundamental to determining the propriety of proposed rate increases to marina slips. The preponderance of information in the record discloses that the rate increases sought by Quakertown Marina, Inc. are within the range of rates for comparable facilities.
5. The rate increase sought by Quakertown Marina, Inc. amounts to a 7% increase for houseboats, 10% increase for cabin cruisers and 5% increase for pontoons and runabouts, during a time period that the consumer price index has increased by 12% and cost increases associated with insurance coverage and utilities far exceed the consumer price index.
6. Mr. Girot agrees that the metering of electric would possibly benefit slip holders who do not utilize electricity at the marina; however, he notes that the ability to meter electric can be accomplished only through additional expense of infrastructure installation and ongoing meter reading services. Mr. Girot expressed his belief that by imposing a modest increase of 5% for



non-electric slips, as compared to 7% and 10% for slips with electricity for houseboats and cabin cruisers, that the disparity can be addressed without the additional infrastructure and ongoing expenses. Mr. Girot's rationale in this regard is reasonable.

8. The Department concurs with Quakertown Marina, Inc.'s proposed rates for the 2008 boating season observing that a comparison to other marinas "clearly shows that the rates for the Quakertown Marina are well within the comparables for other marinas."

9. The requested rates may properly be recommended for approval.

## **B. RECOMMENDATION**

It is recommended that the rates previously approved for Quakertown Marina be increased as follows:

1. Dock B: Houseboats: From \$2,750.00 to \$2,950.00 (annual).  
Cabin Cruisers: From  
Pontoon and Runabouts: from \$950.00 to \$990.00.
2. Dock C: Houseboats: From \$2,375.00 to \$2,550.00 (annual).  
Cabin Cruisers: From \$1,450.00 to \$1,590.00.  
Pontoon and Runabouts: From \$950.00 to \$990.00

DATED: September 20, 2007

Robert E. Carter, Jr., Secretary  
Natural Resources Commission

<b>IN THE MATTER OF:</b>	)	
	)	<b>Administrative Cause</b>
<b>PETITION FOR RATE INCREASE</b>	)	<b>Number: 03-075P</b>
<b>BY THE QUAKERTOWN MARINA</b>	)	

**FINDINGS AND RECOMMENDATION  
BY THE NATURAL RESOURCES COMMISSION  
TO THE U.S. ARMY CORPS OF ENGINEERS**

**A. Findings**

1. The scope of the informal administrative review accorded by the Natural Resources Commission in Information #20 (First Amendment) is addressed to petitions for rate increase at marinas and related facilities on properties owned or leased by the Department of Natural Resources.
2. Although the Department may appropriately exercise whatever rights are provided in a ground lease with respect to marina facilities, as well as any other rights provided by law or equity, the scope of review provided in Information #20 (First Amendment) is limited to the subject of the petition for rate increase. Indeed, the Commission ultimately recommends action on the petition to the U. S. Army Corps of Engineers, and the Corps may either accept or reject the recommendation.
3. In determining whether to recommend a rate increase be granted, the Department is to analyze similar facilities and compare rates with those sought by the petition. Implicit to the public hearing is that interested persons may also seek and analyze comparables.
4. The use and analysis of comparables is fundamental to determining the propriety of proposed rate increases to marina slips, mooring buoys, and hotel rooms. The preponderance of information in the record discloses that the rate increases sought by the Quakertown Marina are within the range of slip rates for comparable facilities.
5. Since 1995, Quarkertown Marina has not requested a slip rate increase.
6. Quakertown Marina has upgraded the existing docks. Dock "B" was replaced with a new concrete dock, slip size was increased along with wider fingers and walkways, and electrical and plumbing utilities were upgraded.
7. The customer demand for electricity has increased at the marina due to the larger boats with dual service, with some slip renters living year-round at Quakertown Marina.
8. Evidence supports that there is a general industry trend of ever-increasing insurance costs associated with marina operations.
9. The Department recommended approval for the requested rate increase for the existing facilities.
10. The requested increase in facility rates is supportable and may properly be recommended for approval.

## **B. RECOMMENDATION**

The Natural Resources Commission recommends to the U.S. Army Corps of Engineers that the rate increase sought by Quakertown Marina for facilities be approved as requested and set forth below.

- Houseboat Dock B: \$2,750.00 (annual)
- Dock C: Houseboats \$2,375.00 (annual)
- Cabin Cruisers \$1,450.00 (seasonal)